Buying your first property is huge deal and it is likely to be the biggest purchase of your life, as such it comes with a rollercoaster of emotions, from the excitement of the bidding war the relief of your offer being accepted then the stress of getting your mortgage in place in time for the big day. With all of this going on it’s not unusual for a first time buyer to feel extremely overwhelmed by the whole process.

As a first time buyer you can’t possibly know all of the complexities that you will encounter, you will most likely be overawed by the mountain of paper work and legal jargon that comes with a mortgage and the whole process can take months to finalise especially if you are buying a property from somebody who is stuck in the property chain. Having an expert on hand to help guide you through the process is an absolute must to ensure things run as smoothly as possible.

With this guide we aim to simplify the process to help you gain an understanding of the difficulties that you may encounter along the way.

The Deposit

Just last year The Independent ( <https://www.independent.co.uk/property/first-time-buyer-age-increase-1960s-housing-market-cost-property-ladder-a8244501.html> ) carried out research and reported that the majority of first time buyers are now 30 years of age or older and put down an average deposit of around £20,662 compare this to statistics from back in 1960 when the average first time buyer was 23 years old and the average deposit was around £595 equivalent to approximately £12,738 today and you can see a lot has changed.

In todays market the minimum deposit for a First Time Buyer mortgage is 5% however you should be aware if you are buying a new build property in Northern Ireland you will need at least a 10% deposit and there are only a few lenders who will accept this as the majority require 15% on a new build. You should also be aware that the larger the deposit the better the rate as you will represent less of a risk to the lender. Taking this into consideration you may feel that putting down as big a deposit as possible is the best option, however you should be cautious not to exhaust all of your savings at this stage as there are still a lot of other costs to consider for example solicitor fees, furnishing not to mention you may not be used to paying for things like heat, electric, tv license broadband etc so holding back some savings for unforeseen expenses may take a little bit of pressure off when you do final make the move.

If you are struggling to save a deposit by yourself you may want to consider a Help to Buy ISA or you could take up the governments shared ownership scheme.

Consider all of the Costs

You may be comfortable with the monthly mortgage repayments but the expenses don’t stop there. Have you considered all of the associated costs that come with your first property.

* Buildings Insurance
* Contents Insurance
* Life Insurance
* Council Tax
* Utilities
* Solicitors Fees
* Furnishing
* Decorating

These are just some of the costs that you will most likely encounter and they are often overlooked by first time buyers.

Take time to budget effectively be realistic when you consider these figures to ensure that you can comfortably afford your new home being prepared will remove much of the financial stress associated with buying your first home.

How much can you afford to Borrow ?

Be careful not to overstretch yourself, while it’s true that mortgage lenders have tightened up on lending you should not solely rely on their calculators to work out how much you can afford to repay their calculator should be used as a guide and although they do stress test affordability against future rises in interest rates you should be aware that rates could possibly move above this level combine this with the possibility that the cost of living could rise and you could find yourself more stretched than you had originally anticipated.

Some of the factors a lender will consider when assessing your affordability will include.

* Size of deposit
* Committed expenditure ( outstanding loans, credit cards and other debts )
* Salary and other available income
* Potential Household bills such as utilities and council tax
* Travel to and from work
* Childcare
* Credit Score

Get an AIP

Everybody wants to jump straight to the fun stuff and start looking for a property but this isn’t really the best course of action.

The first point of call should be getting an AIP ( Agreement in Principle ). An AIP will allow put you in a much stronger position when it comes to bidding on a property, it shows the vendor that you have put some effort into making sure that you qualify for a mortgage before you have placed a bid on a property.

This involves an assessment of your current income and expenditure and a credit check with a proposed lender the result of which will provide you with a document that states providing your income and expenditure can be verified by an underwriter you would qualify for a loan of a certain amount.

You should be aware that each attempt at AIP involves a hard credit search, as such it’s important that you do not apply to a multitude of lenders as this will have a negative effect on your credit score, Instead it’s best to contact a professional who will know which lender is most likely to lend you the amount required based on your current circumstances. Each lender will have different criteria and will consider different amounts of various income types. For example some lenders will take 100% of bonuses and overtime some won’t some will take child benefit others won’t the list goes on.

Most AIP’s will last between 30 and 90 days after which you will need to reapply.

Additional Mortgage Costs

As we stated before it could be unwise to max yourself out with a big deposit if you have not considered the other costs associated with the actual mortgage. As a first time buyer you may not be aware of what could potentially crop up.

Valuation Fees

Once your offer has been accepted your lender will need to instruct a valuation of the property to make sure that it is suitable for lending purposes. The most basic form of valuation is for the benefit of the lender not for you and it’s purpose is soley to determine if the property is worth roughly what you have offered to pay for it, if you require a more in depth survey you will have to pay extra for this if you would like to know more about surveys and valuations click here.

A basic mortgage valuation typically costs between £100 and £250 depending on the size and value of the property. It is possible to get a mortgage with a valuation included however you should be aware that the lender will most likely recover their costs with a slightly higher rate or some other form of charge.

Conveyancing & Legal Fees

You will need to hire a solicitor to complete the legal side of the purchase this is called conveyancing.

The price you pay for conveyancing can vary greatly depending on the solicitor so it is worth shopping around for the best deal. A solicitor will have to carry out property searches on your behalf the fees for these searches are set by the law society but your final bill can vary between one and the other depending on their own professional fees.

Seek Advice

If your completely new to the property market going it alone is not advisable. There are so many mortgage deals out there and finding the most suitable product is never easy.

Mortgages Northern Ireland belong to the First Complete Network and as such we have access dozens of lenders all of whom offer great deals in Northern Ireland. We use the latest software to search through a comprehensive list of products in order to find the deal that is just right for you.

In addition to all of that we will complete your application and liaise with your lender and your solicitor to make sure that your first purchase goes as smoothly as possible.

Contact Mortgages Northern Ireland today to get your application under way.